

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2021-____-W

IN RE: Petition of the Office of Regulatory)
 Staff Requiring Georgia Water and)
 Well Service, Inc. to Post an)
 Updated Performance Bond)
)

**PETITION OF THE OFFICE OF
 REGULATORY STAFF FOR AN
 ORDER REQUIRING THE
 POSTING OF AN UPDATED
 PERFORMANCE BOND**

The Office of Regulatory Staff, by filing this petition, would respectfully show and request of the Commission that:

1. The Public Service Commission of South Carolina (“the Commission”) is a state agency constituted pursuant to the laws of the State of South Carolina with its business offices located in Columbia, South Carolina; that the Commission is responsible for the regulation of water utilities operating for compensation as set forth in S.C. Code Ann. §58-5-10 et seq. (2015); and that the South Carolina Office of Regulatory Staff (“ORS”) is charged with the duty to protect the public interest pursuant to S.C. Code Ann. §58-4-10 (2015).

2. Georgia Water and Well Service, Inc. (“GWWS” or the “Company”) located at 259 Wynburn Ave., Athens, Georgia 30601 was granted approval on April 9, 1993 under Docket No. 93-055-W in Order No. 93-335 to obtain ownership of the water systems owned by Water Systems, Inc., in Anderson and Oconee Counties, South Carolina.

3. The Commission’s jurisdiction over GWWW, pursuant to S.C. Code Ann. §58-5-10 et seq., includes a requirement that before the granting of authority or consent to the operation, maintenance, acquisition, expanding or improving of any water utility regulated by it, that the utility must have on file with the Commission a bond with sufficient surety, made payable to the Commission.

3. The Commission's regulations address the proper amount of a performance bonds for water utilities. South Carolina Code of Regulations Reg. 103-712.3.1 state that:

The amount of bond shall be based on, but not limited to, the total amount of the following categories of expenses for twelve months: Operation and Maintenance Expenses, General and Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and Debt Service including Interest Expenses. The minimum amount of the bond shall be \$100,000 and the maximum amount of the bond shall be \$350,000 based on the verified expenses of the utility for the preceding twelve-month period.

Further, S.C. Reg. 103-712.3.1 state that:

The ORS shall review the annual reports and certifications and determine whether the present bond of the utility accurately reflects the expenses of the utility. Based upon the expenses of the utility as submitted in the annual report and as reviewed and adjusted by the ORS, the ORS shall make recommendations for increasing or reducing the amount of the bond within the minimum and maximum limits as prescribed by statute.

4. ORS records indicate that the most recent Performance Bond Agreement on file for GWWS is for an amount of \$100,000. A copy of the bond is attached hereto as Exhibit A.

5. During its review of GWWS's 2019 Annual Report ORS reviewed the expense categories listed in S.C. Reg 103-712.3.1 as recorded on GWWS's 2019 Water Utility Annual Report and determined that GWWS should be required to post a performance bond in the amount of \$215,000. A copy of the expense calculations from GWWS's 2019 Water Utility Annual Report is enclosed here as Exhibit B to this Petition.

6. ORS has attempted to contact the Company on numerous occasions regarding their filing of a revised Performance Bond in an amount that would meet the requirements of the regulation. The Affidavit of Kyle D. Maurer Sr is attached hereto as Exhibit C in support of this statement.

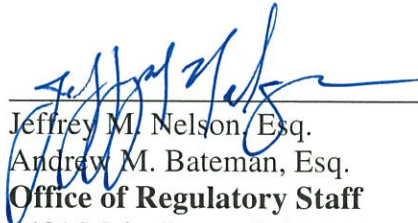
7. To date, GWWS has not responded to ORS requests to discuss the update for the GWWS Performance Bond.

8. ORS asks that the Commission require GWWS to execute a new Performance Bond Agreement in the amount of \$215,000 for the Company to meet the requirements of the Commission's

regulations. The Financial Statement currently on file with the Commission is sufficient to support the new Performance Bond amount of \$215,000.

WHEREFORE, ORS prays that the Commission:

1. Order GWWS to file, in accordance with S.C. Code Ann. §58-5-720, a bond in the amount of \$215,000 as required under 26 S.C. Reg. 103-712.3.1;
2. For any additional action or relief which the Commission may deem necessary or proper.



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Ph: (803) 737- 0823
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February 18, 2021
Columbia, South Carolina

PERFORMANCE BOND
FINANCIAL STATEMENT
(WATER UTILITIES)

KNOW ALL MEN BY THESE PRESENTS, that GA Water + Well Service being duly qualified to do business in the State of South Carolina, designated as "principal", and that DAVID A. Shoemaker, designated as "surety"/"sureties" is/are held and firmly bound unto the Public Service Commission of South Carolina, designated as "obligee", in the penal sum of \$ 100,000.00, for the payment of which well and truly to be made, the principal binds itself, its successors and assigns, and the surety/sureties bind themselves, their personal representatives, and their assigns, jointly and severally, firmly by these presents.

WHEREAS, in accordance with the provisions of S. C. Code Ann., §58-5-720 (1976, as amended), which requires the principal to furnish a bond with sufficient surety, to the satisfaction of the obligee, conditioned as provided in said §58-5-720, and

WHEREAS, the obligee has granted the principal a Certificate of Public Convenience and Necessity and approved a schedule of rates for water service in areas shown on operating maps filed with the obligee, and

WHEREAS, this bond, when approved by the obligee, conditioned as in said §58-5-720, is to cover any and all liability which may arise as a result of the principal failing to provide adequate and sufficient service within its service area as prescribed in §58-5-720, and

**FINANCIAL STATEMENT
Water Utilities
Page 2**

WHEREAS, the obligee, upon notice and hearing, shall have the right to declare all or any part of the bond forfeited upon a determination by the obligee that the principal shall have willfully failed to provide such service as prescribed above, without just cause or excuse, and that such failure has continued for an unreasonable length of time, and

WHEREAS, the liability under the terms of this bond is hereby extended so as to include any fines or penalties imposed or assessed by the obligee against the principal under the provisions of S.C. Code Ann. §58-5-710 (1976 as amended), and

WHEREAS, in the event that any judicial action or proceedings are initiated with respect to this bond, the parties hereby agree that the venue thereof shall be Richland County, State of South Carolina, and

WHEREAS, the surety/sureties, as stockholders of the principal, undertake this obligation for and in consideration of the principal being able to continue to operate a water utility providing service to the public for compensation under the jurisdiction of the obligee, and

WHEREAS, the surety/sureties, as shall file with this bond a Financial Statement showing personal assets, liabilities, and net worth; and shall file annually with the obligee a revised Financial Statement as long as the bond continues in effect, and

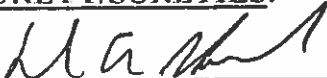
WHEREAS, this bond shall become effective on the date executed by the principal and surety/sureties, and shall continue from year to year unless the obligations of the principal and surety/sureties under this bond are expressly released by the obligee in writing, and

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Water Utilities
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WHEREAS, the obligee upon notice and opportunity to the principal and surety/sureties to be heard, may order that the face amount of this bond to be changed within the limits set forth in S. C. Code Ann., §58-5-720 (1976 as amended).

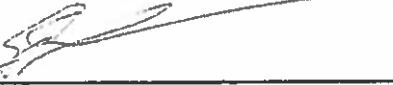
NOW THEREFORE, in testimony whereof, said principal has hereunto subscribed its name and said principal has caused this instrument to be signed by its duly authorized officers, and its corporate seal to hereunto affixed this 22 day of Oct, 2010; and that said surety/sureties have caused this instrument to be signed this 22 day of Oct, 2010


SURETY/SURETIES:


Signature

GA Water + Well Services Inc.
Company


IN THE PRESENCE OF:


Witness # 1


By
President
Title

Witness # 2

IN THE PRESENCE OF


Signature


Witness # 1

Witness # 2

ACKNOWLEDGEMENT OF PRINCIPAL

STATE OF SOUTH CAROLINA

COUNTY OF OconeeOn Oct. 22, 2010, David A. Shoemaker came

before me personally, to me known, and who being by me duly sworn, did depose and state; that he is the Pres of Georgia Water & Well, the Corporation which executed the foregoing instrument; that he knows the seal of said Corporation, that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said Corporation, and that he signed his name to said instrument by like order.

SWORN to before me this

22nd day of Oct, 20 10

Notary Public (I. S.)

My Commission Expires:

10/11/14

(Affix seal if not South Carolina Notary Public)

Office of Regulatory Staff
Water Performance Bond
Georgia Water and Well Services, Inc.

EXHIBIT B

Georgia Water and Well Services, Inc. - Water Performance Bond and Surety Calculations

	2019 Year-End Balance per Water Annual Report Filing	Minimum Performance Bond Requirement
Operation and Maintenance Expenses	199,729 ¹	
General and Administrative Expenses	-	
Taxes Other Than Income Taxes	12,527 ²	
Income Taxes	- ³	
Debt Service including Interest Expenses	- ⁴	
Total	<u>212,256</u>	<u>212,256</u>

Note 1: Schedule 300, Account 401

Note 2: Scheudle 300, Accounts 408.11-13

Note 3: Scheudle 300, Accounts 409.10-11, 410.10-11

Note 4: Schedule 300, Accounts 427.1-5

EXHIBIT C

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2021-____ -WS

February 17, 2021

IN RE: Petition of the Office of Regulatory)	
Staff Requiring Georgia Water and)	
Well Service, Inc. to Post an)	AFFIDAVIT OF
Updated Performance Bond)	KYLE D. MAURER SR

The Affiant, after having been first duly sworn, deposes and states as follows:

- 1) My name is Kyle D. Maurer Sr and I am employed by the South Carolina Office of Regulatory Staff ("ORS") as the Deputy Director of the Water Operations Department.
- 2) My office is located at 1401 Main Street, Columbia, South Carolina, 29201
- 3) I sent a letter dated October 6, 2020 to Mr. David Shoemaker, President of Georgia Water and Well Services, Inc. ("GWWS" or the "Company") which explained ORS's review of and recommendation for the Company's Performance Bond and requested that Mr. Shoemaker contact ORS regarding the matter.
- 4) I attempted to contact Mr. Shoemaker via phone at the offices of GWWS on January 14, 2021, January 21, 2021, and January 26, 2021. In each instance Mr. Shoemaker was unavailable to speak with me.
- 5) I emailed Mr. Shoemaker on January 27, 2021 requesting that Mr. Shoemaker contact me regarding the Company's performance bond.

EXHIBIT C

- 6) I attest that, to date and to the best of my knowledge, neither Mr. Shoemaker nor another member of GWWS has contacted me regarding ORS's recommendation to update the Company's performance bond.

AND FURTHER THE AFFIANT SAYETH NOT.



KYLE D. MAURER SR

Deputy Director
Water Operations Department
S.C. Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Sworn and subscribed before me

this 17th day of February 2021
Pam McMahon



Notary Public for South Carolina

My Commission Expires: 4/11/27